

MSHDA HCV Administrative Plan - Chapter 13: Owners

Exhibit 13-4 Owner Incentive Programs

Using the Administrative Fees provided by HUD for the Housing Choice Voucher, Mainstream Voucher and Emergency Housing Voucher programs, MSHDA is providing for the following owner incentive programs for participating owners. The terms and condition for each program are outlined below as well as the eligibility requirements for each activity.

Owner Leasing Incentive Fee Payments

In an effort to retain and increase landlord participation in the Housing Choice Voucher (HCV) program and to reduce the housing search time that HCV families may encounter, MSHDA is making available a one-time leasing incentive fee payment of \$600 per unit to owners of rental properties for making decent, safe, and sanitary units available for rent for HCV program participants. The leasing incentive fee payment will be paid to owners that qualify within 90 days from the MSHDA approved move-in/lease start date and will be identified on the payment information detail as "incentive fee".

The leasing incentive fee payment applies to MSHDA approved move-in/lease start dates between June 1, 2022 to December 31, 2022. NOTE: The incentive fee payment does not apply to rental units assisted under a MSHDA Project-Based Voucher (PBV) Housing Assistance Payment (HAP) contract.

Owner Damage Claim Payments

MSHDA is making available \$500,000 in administrative fees for damage claim payments to landlords due to damages caused by program participants that are identified upon move-out. The availability period for this funding is December 1, 2021 to December 31, 2023 and only applies to tenant move-out dates during this time. MSHDA reserves the right to end the availability of the payments if the amount of funds allocated for this purpose are exhausted prior to the specified end date, regardless of the pending status of additional claims. There will be no administrative appeal available regarding these claims to MSHDA. **NOTE:** Rental units covered under a MSHDA PBV HAP contract are eligible for damage claim payments.

The minimum amount an owner can request in damage claims is \$300. The maximum amount an owner can request in damage claims is the lesser of \$3,000 or the total amount of damages. In either instance, the owner must deduct the amount retained from the tenant's security deposit and any amount reimbursed by insurance or other sources to arrive at the eligible claim amount. In submitting a claim, the owner certifies:

- a legal right to pursue a claim in court against the tenant for damages beyond wear and tear;
- none of the claimed damages existed prior to the lease;

- any funds paid to owner pursuant to this program will be credited in favor of tenant against such damages claim; and
- the claim is not requested for any fraudulent purpose, etc.

Only items that have been damaged above "normal wear and tear" will be considered. Damage claims cannot be filed by the owner when a tenant is transferring from one unit to another due to tenant preference.

Charges for household furnishings, tools, cleaning fees, late fees, court costs, lawyer fees and advertising will not be considered. Supplies such as paint and paint brushes will be considered; however, only for the purpose of repairing damages to the unit, not common areas and/or other units. If the amount claimed is excessive, MSHDA may request additional documentation and/or information from the owner prior to approving the claim.

In addition, MSHDA is unable to consider any damage caused by an animal or pet. No monies will be paid for damage from pets. If the owner wishes to allow a pet, a separate agreement, signed and dated by both parties, is suggested. The owner may wish to collect an additional pet deposit to cover any possible damages.

Damage Claim Process

All damage claim documents must be uploaded into a secure folder for MSHDA's review and determination. Before a secure folder can be created, the owner must send an email of interest to MSHDA-RAHS-DC@michigan.gov that provides the following preliminary information:

- Owner Name
- Unit Address

Once MSHDA confirms the preliminary information in its Housing Choice Voucher (HCV) system, the owner will be provided a link to create the secure folder for the damage claim submission.

Once the secure folder is created, the owner must upload the information below for review and determination. The information must be submitted within 120 calendar days of the MSHDA Housing Assistance Payment (HAP) Contract termination effective date. MSHDA will make a determination on the eligibility of the funds within ten (10) business days of receipt of all required documents.

Required documents for damage claim submission:

1. Documentation that shows the tenant was notified of the list of repairs showing the security deposit being deducted from the total costs. Such documentation may include:
 - a. A copy of the letter sent to the tenant at the last known address
 - b. A copy of an email sent to the tenant
 - c. A notarized statement from the owner certifying a good faith effort was attempted to notify the tenant of the information above
2. Photos or videos that clearly identify the damages to the unit.

3. If work is performed by a private contractor: provide itemized list of charges from the contractor that identifies the amount of the repairs. This list should show each item, broken down between parts and labor. Each item listed must have a receipt for verification. The receipts must be numbered to correspond with the itemized list of charges. All receipts for labor performed by a private contractor must show name, business address, phone number, and contractor license number, if applicable. "Lump sum" receipts, bids, proposals, and estimates are not acceptable. The receipt must show a breakdown of all charges. For example: If a painting contractor provides the owner with a bill for \$200.00, the owner must have the contractor state what portion was for paint and what portion for labor. The itemized list and receipts must accompany the damage claim form.
4. If the work is performed by the owner or owner's maintenance staff: provide itemized invoices and receipts for parts and materials. Labor is not an eligible cost when work is completed by the owner or owner's maintenance staff.
5. Copy of the tenant/landlord lease or other documentation that verifies the security deposit amount collected.
6. Photos or videos that clearly identify the repairs were completed.